

PART III.

***RULES UNDER THE AGRICULTURISTS' LOANS ACT, XII OF 1884.**

Under the provisions of section 4 of Act XII of 1884 the Governor of Bombay in Council is pleased, with the sanction of the Governor General in Council, to prescribe the following rules as to loans to be made for the purposes hereinafter appearing to

*In Government Resolution No. 3016 of 2nd May, 1891, Revenue Department, the Governor in Council has laid down the following instructions for the guidance of District officers in making advances to cultivators under Acts XII of 1884 and XIX of 1883, viz :—

(1.) Government do not wish that these Acts should remain a dead letter. This fact should be generally made known to the rayats and due notice should be taken of all cases in which the rayats complain of inattention on the part of the Government officers in the matter of making advances.

(2.) The public notice contemplated in Section 5 of Act XIX of 1883 should not be issued except in cases of large loans for improvements which might affect prejudicially neighbouring holdings.

(3.) The Commissioners of Divisions in their joint report on this subject have made the following suggestions :—

“ Each Mámlatdár should select 8 or 10 villages of a reasonable size in his táluka representing as it were specimens of groups of villages in various parts of his charge. Two or three months before the sowing season he should visit each selected village, assemble the rayats in the Chávdí, and explain to them fully the rules and conditions under which the advances are to be made. He should immediately ascertain who are in want of advances, make inquiries on the spot, and grant advances then and there in cash or by means of a cheque on the Táluka Treasury. In the case of larger amounts sanction of higher authority should be obtained within a month and immediate payment made at the village by the Mámlatdár or Aval-kárkun. This should have precedence over all other work. The Mámlatdár would require about two days in each village so that the whole would not take more than a month, allowing ten days for other urgent work, magisterial cases, and travelling. The result would be that the rayats of villages in which advances are thus made, as also those of adjoining villages will practically understand what the rules are, and will be able to appreciate the benevolent intentions of Government. If this process be repeated for two or three years, changing the villages each year, every one in the táluka would thoroughly understand the rules, &c.”

These suggestions of the Commissioners are approved and should be acted upon.

(4.) The sufficiency of the security offered by the intended borrower should not be tested with unnecessary severity. The officer granting the loan should in this matter be guided by the same tests as an ordinary money-lender applies in the case of private loans.

(5.) In cases where advances prove irrecoverable, the personal responsibility of Mámlatdárs should not be enforced when no fraud is proved, and the Mámlatdár can establish to the satisfaction of the Collector and Commissioner that he made proper inquiries and took reasonable precautions.

(6.) Assistant and Deputy Collectors while on tour should set an example to the Mámlatdárs by personally taking up and disposing of a few cases every year. Instances of marked interest taken by any Táluka officers should be specially brought to the notice of Government by the Commissioners.

(7.) Applications for loans under the Agriculturists' Loans Act should be disposed of as speedily as practicable, and if possible within one month from the date of the application.

(8.) Rules 10, 13, 16, 17 and 19 under the Land Improvement Loans Act and Rules 5 (b), 7 and 10 under the Agriculturists' Loans Act should be administered by the District officers in a liberal spirit.

(9.) To bring the advantageous offers of Government to the attention of the rayats notices should be issued in all the villages throughout the district and published in the first place in the Chávdí of the village, a copy being kept in the current daftar of the village accountant.

(10.) In districts where establishments of the Agricultural Department are employed, the officers of that Department should suggest such improvements to the cultivators as occur to them.

holders (as defined in Section 3 (11) of the Bombay Land Revenue Code, 1879) of arable land :—

(Notn. No. 678, B. G. G., 1886, p. 81. 28th Jan. 1886.)

1. Government will inform the Commissioners what sum will be available for loans under the Act in their respective divisions for each financial year. Each Commissioner will divide the allotted sum between the districts of his division at his discretion and may, at any time during the year, transfer any sum or portion of a sum assigned to one district to any other district. But expenditure within a division must be kept within the amount allotted by Government to that division. If an additional allotment be required for any division, it should be applied for by the Commissioner without delay. Government may at any time transfer any unexpended balance of the allotment of one division to any other division.

(Notn. No. 5150 A, B. G. G., 1890, Pt. I., p. 728, 23rd July 1890.)

1A. For the purposes of these rules, in the districts where the Gujarát 'Tálukdárs' Act, 1888, is in force, the Tálukdári Settlement Officer shall, with reference to all immovable property under his management, be deemed to be an Assistant Collector in charge of a sub-division.

2. Loans may be granted to holders of arable land for the following objects :—

- (a). Purchase of seed and grain, cattle and agricultural stock ;
- (b). Rebuilding houses destroyed by fire or flood ;
- (c). Any other purpose, not specified in the land Improvement Loans Act, 1883, connected with agricultural objects.

3. Every application for a loan, if made verbally and not in writing, by the applicant shall be at once reduced to writing by the officer to whom it is made.

Applications if not in writing, to be reduced to writing.

(Notn. No. 3016 A, B. G. G., 1891, Pt. I., p. 379, May 7th, 1891.)

4. (1) Every application for a loan shall be made to the Collector, Assistant or Deputy Collector in charge of the sub-division or to the Mámlatdár of the táluka or the Mahálkari of the petha.

(2) If the application is made to the Collector, Assistant or Deputy Collector in charge of the sub-division, such officer may, after making such enquiry as he may deem necessary, grant the loan applied for.

(3) If the application is made to the Mámlatdár or Mahálkari, such officer, after making personal enquiry as to the character of the applicant, his ability to give security and the fitness of the application,

- (a) may, if the loan applied for does not exceed Rs. 50, and if he is satisfied with the result of such enquiry, grant the loan without the sanction of any superior officer, and

(b) shall, if the loan applied for exceeds Rs. 50, submit without unnecessary delay the application with his report to the Assistant or Deputy Collector, who shall pass such order thereon as he may deem proper.

(4) An Assistant or Deputy Collector in charge of a sub-division may, without the sanction of the Collector, grant applications for loans not exceeding Rs. 200 each.

(5) If a loan applied for exceeds Rs. 200, the Assistant or Deputy Collector shall at once apply for and before making the grant obtain the sanction of the Collector; and

(6) If the loan exceeds Rs. 500, the Collector shall at once apply for and before making the grant obtain the sanction of the Commissioner:

Provided that no loan shall be given to any holder who is in arrears for land revenue or for any loan made to him under the Land Improvement Loans Act, 1883, or these rules, except under a detailed order of the Collector granting the loan.

5. Loans shall be granted on the following conditions of repayment:—
Conditions on which loans may be granted.

(a) A loan for the purchase of seed shall be repaid within one year;

(b) A loan for the purchase of cattle or for any other lawful purpose shall be repaid within two years or such further period not exceeding ten as the Collector, with the sanction of the Commissioner, may see fit to fix.

6. Any person desirous of repaying the whole or part of the loan granted him at any time before the expiration of the period mentioned in the order may do so.
Repayment before expiry of period fixed allowed.

7. Repayments of loans shall be made by such instalments including interest as the officer granting the loan may determine:—

(Notn. No. 3016A., B. G. G., 1891, Pt. I., p. 370, 7th May 1891.)

Provided that instalments may be suspended by order of the Assistant or Deputy Collector in charge of the sub-division on his being satisfied that there is good and sufficient reason for such indulgence.

8. (1) The rate of interest on loans granted under this Act shall be such, not less than $4\frac{1}{2}$ per cent. per annum and not exceeding $6\frac{1}{4}$ per cent. per annum, as Government may direct either by special order in any particular or by general orders in respect of any taluka, district or division. But Government may, at its discretion for special reasons, direct that no interest at all shall be charged, or may remit any part of the interest due.

(Notn. No. 5150A., B. G. G., 1890, Pt. I., p. 728, 23rd July 1890.)

(2) If any sum due on account of a loan, whether in payment of the principal or of an instalment except in cases where the payment may be suspended

under the proviso to Rule 7, or of any interest chargeable thereon or of the costs, if any incurred in making the loan, be not paid when the same becomes due, compound interest shall be chargeable on such sum from the date when such sum becomes due to the date of payment, at the rate of 6 per cent. per annum, or at such higher rate as in any special case may, under the directions of the Governor in Council have been fixed in the conditions on which the loan has been granted.

9. Mortgage-bonds, in the form hereinafter prescribed in Appendix A., shall ordinarily be taken from the holders of lands to whom loans are made as security for repayment, and when the amount is considerable, should invariably be taken.

Mortgage-bonds
when and in what form
to be taken.

In all cases in which mortgage-bonds are not taken, an agreement in the form hereinafter prescribed in Appendix B. shall be executed.

10. Security of a Sāvkar shall not be demanded for a loan, but in all cases the Collector should take measures, under the provisions of Chapter XI of the Bombay Land Revenue Code, 1879, to secure repayment of the loan as an arrear of land revenue, and when there are several applicants in the same village they should, if possible, be induced to become security one for the other.

Sureties.

11. When a loan has been granted, the money should be paid by the disbursing officer to the holder of the land or his recognised agent and a receipt taken; but when loans are required for the purchase of cattle, the Collector may take measures to purchase them and hand them over to the applicant.

APPENDIX A.

(Form of Mortgage-bond under Rule 9).

Whereas I _____ have this day received a loan of Rs. _____ from the Collector or _____ on behalf of the Secretary of State for India in Council for the purpose of _____ repayable with interest at _____ in equal within _____ years from this date ;

I do hereby mortgage to the said Collector on behalf of the said Secretary of State for India in Council the holding, which is at present in my possession and enjoyment, namely Survey No. _____ measuring _____ acres _____ gunthás, situated in the village of _____ taluka _____ of this district ;

As security for the repayment of the said loan of Rs. _____ with interest, the said holding to continue in my possession and enjoyment ;

On condition that on my failing to pay any one instalment within _____ months of the date on which such instalment becomes due,

Or on my transferring by sale, mortgage or gift the said holding, to any other person, the said holding shall forthwith become forfeited to Government.

In witness whereof the said _____ has signed this deed.

Dated _____

Signed by _____
in the presence of _____

(Signature.)

APPENDIX B.

(Form of Agreement under Rule 9.)

Whereas I _____ have this day received a loan of Rs. _____ from the Collector of _____ on behalf of the Secretary of State for India in Council for the purpose of _____ I do hereby bind myself and do agree to repay the said sum with interest at _____ in equal _____ within _____ years from this date ; and in the case of my making default therein I hereby bind myself and do agree to pay at once to the Secretary of State for India in Council the balance of the loan which may be due with interest (if any) and with costs (if any) incurred in making or recovering the loan.

In witness whereof the said _____ has signed this agreement.

Dated _____ (Signature.)

(Form of Security to be subjoined to the bond of the principal.)

We _____ hereby declare ourselves securities for the abovesaid _____ that he shall do and perform all that he has above undertaken to do and perform, and in case of his making default therein, we hereby bind ourselves and do agree severally and jointly to perform the same.

Date _____ (Signature.)